

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CALIFORNIA-AMERICAN WATER COMPANY (U 210 W) for an Order (1) Expanding its Existing Certificate of Convenience and Necessity to Include the Provision of Wastewater Services to the Public, Including the Right to Recover Rates for such Services; (2) Authorizing Applicant to Create its Monterey Wastewater Division and Service Area and to Acquire the Wastewater Assets of and to Serve Wastewater Customers in Each of the Following Three Monterey County-Owned Systems: CSA 72- Las Palmas Ranch, CSA 10- Laguna Seca Ranch and Carmel Valley County Sanitation District; and (3) Authorizing Applicant to File a Single System-Wide Rate Schedule and Related Tariffs for All Three Acquired Wastewater Systems in its Monterey Wastewater Division.

Application 02-05-058
(Filed May 24, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING
SETTING EVIDENTIARY HEARINGS**

Commissioner Duque's July 31, 2002 Scoping Ruling allowed parties to file a request for evidentiary hearings on August 30, 2002 after reviewing California-American Water Company's (Cal-Am) supplemental filing on August 16, 2002. John Hyland, Jr. (Hyland) timely filed a request. I have reviewed Hyland's request and Cal-Am's supplement and find that written testimony by Hyland, followed by evidentiary hearings, on a narrow set of issues as described below, is necessary to fully inform the Commission's decisionmaking in this case.

Specifically, Hyland shall serve written testimony on September 20, 2002 addressing:

- his forecast of reasonable operating expenses and capital additions, and the technical basis for such forecasts, for CSA 72-Las Palmas along with resulting rates and rates of return, including his forecast of the impact of capital additions on operating expenses; and
- his forecast of reasonable operating expenses and capital additions, and the technical basis for such forecasts, for the other districts Cal-Am seeks to acquire along with resulting rates and rates of return, including his forecast of the impact of capital additions on operating expenses, to the extent that he or his witnesses have pertinent expertise with respect to those districts.

Cal-Am has provided its forecast of operating expenses in Exhibit E of its August 16, 2002 supplement, broken down by district, but has not provided supporting documentation for those forecasts. Cal-Am may serve supporting documents as testimony if it chooses. If Cal-Am elects to serve such supporting testimony, it should do so no later than September 10, 2002.

Based on my review of the supplement and the issues raised by protestants, sufficient information has been provided by the applicant for the Commission to resolve the remainder of the issues in this case without additional testimony.

Therefore, **IT IS RULED** that:

1. Hyland shall serve testimony on September 20, 2002 as described herein.
2. Cal-Am may serve supporting documents for its forecasts of operating expenses as testimony not later than September 10, 2002.
3. Sufficient information has been provided by the applicant for the Commission to resolve the remainder of the issues in this case without additional testimony.

4. A prehearing conference and evidentiary hearings will occur as set forth in Commissioner Duque's July 31, 2002 Scoping Ruling.

Dated September 3, 2002, at San Francisco, California.

/s/ MICHELLE COOKE

Michelle Cooke
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by U.S. mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Evidentiary Hearings on all parties of record in this proceeding or their attorneys of record.

Dated September 3, 2002, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.